

29 JUN 1976

76-8203/A

The Honorable William E. Simon
The Secretary of the Treasury
Washington, D. C. 20222

Dear Bill:

I greatly appreciate your initiatives, described in your letter of 15 June, to provide for my representation and that of my senior economic officers in selected meetings of the Economic Policy Board.

As you know, I feel as strongly as you and Leo Cherne do, that timely guidance and feedback from the policymaking side is indispensable to effective intelligence support on key policy issues. I am completely in accord with the general approach you have outlined, and I have designated my National Intelligence Officer for Economics, [redacted] to develop the necessary arrangements with Bill Morell and members of Bill Seidman's and Leo Cherne's staffs.

I look forward to participating in future sessions of the EPB involving matters of intelligence support or review. I would expect that Maurice Ernst, Director of Economic Research, and/or [redacted] would normally attend sessions dealing with specific international economic issues. Depending on the agenda items, I could envision other members of the economic intelligence community being called in.

Sincerely,

George Bush
George Bush
Director

cc: Mr. William Seidman
Mr. Leo Cherne

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Approved For Release 2005/06/08 : CIA-RDP79M00467A003100030015-9

(23 June 1976)

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THE SECRETARY OF THE TREASURY
WASHINGTON76-2561
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JUN 15 1976

Dear George:

At a luncheon meeting on June 3 with Leo Cherne and members of PFIAB I suggested that it might be useful as a means of improving the interface between the intelligence community and those of us responsible for international economic policy to have CIA representation at selected meetings of the Economic Policy Board. Leo and his PFIAB colleagues supported this idea and added a couple of related suggestions of their own. These thoughts were contained in a letter which Leo sent to me on June 4, a copy of which I am told was sent to you. I have sent out a positive response to Leo today (attached).

If you agree with this general approach I would appreciate your designating a CIA representative who would work with Bill Morell and with members of Bill Seidman's and Leo Cherne's staffs in developing the necessary implementing arrangements.

As you know from our discussions during my visit to Langley not long ago we are very happy with the progress that has been made over the past two years in intelligence support to Treasury and to certain other members of the EPB as well. I am hopeful that further progress can be made through these new arrangements with the EPB to our mutual benefit. Please let me know if you have any additional thoughts.

Sincerely,


William E. SimonThe Honorable George Bush
Director, CentralIntelligence Agency
Washington, D. C. 20505
(FIVE) (CENTRAL) (Treasury)

Enclosures

THE SECRETARY OF THE TREASURY

WASHINGTON



JUN 14 1976

Dear Leo:

I thoroughly enjoyed my discussion with the Board the other day and, as I indicated at lunch, I hope we can meet together from time to time in the future.

As you know, I have been concerned for some time about the need for developing a more effective interface between the intelligence community and those of us responsible for international economic policy and negotiations. As I reported to the Board we in Treasury have undertaken a number of new arrangements which I feel have substantially strengthened this relationship and have stimulated noticeable improvements in intelligence support. I share your view, however, that further efforts are required in this area.

It is for this reason that I suggested to the Board at lunch the desirability of having a representative from CIA attend the regular Economic Policy Board meetings on appropriate occasions in order that intelligence might gain a better appreciation of current policy and negotiating issues and of the intelligence support we require as well as our evaluation of this support. In addition, I think your suggestion that Bill Casey meet periodically with the EPB principals is a good one and will be mutually beneficial. If there are other EPB sessions which you feel would also be of interest he would be welcome to attend these as well. At these meetings of principals it would be our intention to invite, as you suggest, the Director of Central Intelligence and his senior economic officers so that we might have a full exchange on all aspects of our relations with the intelligence community.

- 2 -

We have discussed this with Bill Seidman and he thoroughly agrees with these proposals. I have asked Bill Morell to work with Bill Seidman's staff, with your principal staff officers and with George Bush's people to work out the necessary arrangements.

I look forward, Leo, to a close working relationship with you and the Board in the future in our joint efforts to strengthen this vital area of our government's national security activities. Please convey my appreciation to the Board for a most useful meeting.

Sincerely,

/s/ Bill

William E. Simon

The Honorable Leo Cherne
Chairman, President's Foreign
Intelligence Advisory Board
The White House
Washington, D. C. 20500

THE WHITE HOUSE
WASHINGTON
PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD

4 June 1976

Dear Mr. Secretary:

We deeply appreciate your hospitality in hosting the members at lunch yesterday, and your generous expressions of continuing interest in the activities of the Board.

As Bill Casey mentioned, one area that we believe warrants renewed attention, and which would very greatly benefit from your personal involvement, is the means of improving the dialogue between principal users and the authorities responsible for producing economic intelligence. Especially with regard to economic topics, where the subject matter is so broad and the availability of data is so enormous, the refinement of requirements and the evaluation of performance becomes exceptionally important. We believe that the intelligence community could far more effectively direct its resources if it had a better understanding, on a comprehensive and sustained basis, of the policymakers' needs and their assessment of the intelligence product. This entails an intensification of consumer "guidance and feedback."

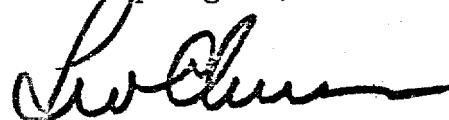
We recognize that this has been of longstanding concern, towards the improvement of which a number of institutional mechanisms were created and subsequently abandoned. However, because of your interest, perceptions and responsibilities we believe that an opportunity now exists to achieve substantial improvement towards this objective. We recommend, therefore, that at appropriate intervals, principals of the Economic Policy Board meet with the Director of Central Intelligence and his senior economic intelligence officers in sessions which are designed to focus on the objectives and adequacy of economic intelligence and on the flow of this information throughout those agencies of government which require it.

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We have not yet discussed this proposal with the Director of Central Intelligence and suggest that you may wish to share this letter with him.

We also appreciate your acceptance of my suggestion to invite a PFIAB member to attend selected meetings of the Economic Policy Board. I would nominate Bill Casey for this purpose and would hope to personally fill in if he were unavailable.

With deep regard,

A handwritten signature in dark ink, appearing to read 'Leo Cherne', written in a cursive style.

Leo Cherne
Chairman

Honorable William E. Simon
Secretary of the Treasury
Washington, D. C. 20220



WASHINGTON


JUN 15 1976

Dear Bill:

I understand from Bill Morell that you have found my proposals for having CIA representation at selected EPB meetings workable and that you are prepared to have Roger Porter discuss with Bill the implementing arrangements.

In your absence late Friday of last week Bill obtained Roger's approval of the letter to Leo Cherne. I am also sending a copy of this today to George Bush. If you have any further ideas please let me know.

Sincerely,


William E. Simon

The Honorable
L. William Seidman
Assistant to the President
for Economic Affairs
The White House
Washington, D. C. 20500

Enclosures

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EXECUTIVE SECRETARIAT

Routing Slip

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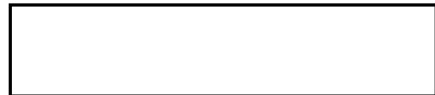
Please develop response.

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16 June 1976

Dave:

You may wish to sit on this until a response comes back from the DDI who plans to name Maurice Ernst, D/OER.



16 June 1976

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